VOL 12 No 5 MAY 1982

SURVEY of Current Affairs

Government and Administration

Data Protection 147

Shorter Note

Displaced Cypriots in Britain 148

External Affairs and Defence

The Falkland Islands 149

Shorter Notes

Sinai: Israeli Withdrawal 156; El Salvador 157

Economic and Scientific Affairs

Oil and Gas 158

National Income and Expenditure 1981 161

Industrial Awards 162

Shorter Notes

London Gold Futures Market 167; Family Expenditure Survey 167; Inner City Grants 167; Support for British Shipbuilders 168; Biotechnology 168

Social and Cultural Affairs

Commission for Racial Equality 170

Documentation

171

Published for British Information Services by
Her Majesty's Stationery Office, London

Annual subscription including postage and index £20.42

The *Survey of Current Affairs* is produced for British Information Services overseas, but in response to requests has also been made available in Britain. Subscription and distribution inquiries should be addressed to Her Majesty's Stationery Office, P.O. Box 569, London SE1 9NH, and editorial inquiries to Reference Division, Central Office of Information, Hercules Road, Westminster Bridge Road, London SE1 7DU. Although the material is Crown Copyright, it may be reproduced without special permission.
Other documents produced by Reference Division if not on sale through Her Majesty's Stationery Office, may be obtained direct from Reference Division on payment of a small charge.

GOVERNMENT AND ADMINISTRATION

Data Protection

Legislative proposals to safeguard automatically processed personal information have been set out in a government White Paper.[1] In addition to guarding against the threat to privacy posed by the rapid growth in the use of computers, the legislation would enable the Government to ratify the Council of Europe's Convention on the subject signed by Britain in May 1981.

Background

In 1972 the report of the Younger Committee on Privacy set out certain principles in regard to computer privacy. These were broadly endorsed in 1975 by a White Paper, *Computers and Privacy*, which announced the then Government's decision to prepare legislation to establish permanent safeguards for the privacy of personal information held on data systems and to consider the objectives to be incorporated in such legislation (see p 38, 1976). In 1978 the Data Protection Committee under the chairmanship of Sir Norman Lindop gave its advice on the legislation, together with an analysis of ways of overcoming the problems involved (see p 16, 1979).

In the meantime the Council of Europe had prepared a Convention on Data Protection which was signed by Britain in May 1981. In September of the same year Britain endorsed the guidelines on privacy protection and transborder data flows which had been prepared by the Organisation for Economic Co-operation and Development. Eight European states (Austria, Denmark, France, the Federal Republic of Germany, Iceland, Luxembourg, Norway and Sweden) now have data protection legislation in force and others (including Finland, the Netherlands and Switzerland) are about to introduce legislative procedures. Eleven states (Austria, Britain, Denmark, France, the Federal Republic of Germany, Luxembourg, Norway, Portugal, Spain, Sweden and Turkey) have signed the Convention but none has so far ratified it, and it will only enter into force after ratification by five states.

Principles

The general principles set out in the Younger report and broadly endorsed by the Lindop Committee, have been embodied in the Data Protection Convention. The Government proposes that they should be covered by the legislation. Sanctions would be designed to ensure, as far as possible, that data users comply with the principles. (The term 'data users' includes those who collect, collate or otherwise process data by automatic means, and disseminate it.) The principles are as follows: the information should be obtained and processed lawfully; it should be held for a specified, legitimate purpose; it should not be used or disclosed in a way incompatible with that purpose; it should be adequate and relevant but not excessive; it should be accurate and up to date; it should be kept no longer than necessary; people should have access to information held about themselves and should be entitled to its correction or erasure where the legal provisions safeguarding the data have not been complied with; and there must be security measures against unauthorised access, alteration or dissemination, accidental loss and accidental or unauthorised destruction of data. While the Government has no plans to impose statutory codes of practice, it hopes that some professional bodies will prepare such codes as a guide for their members.

Proposals for Registration

The central feature of the proposals would be a public register of computer systems which process personal, name linked information. The data user would normally be required to provide brief particulars identifying himself, the information he uses, where it has come from and to whom it is disclosed, and the purposes for which it is used. A Registrar, appointed by the Crown and wholly independent of the Government, would have powers to make inquiries, to inspect data files and to require modifications to a system. In extreme cases he might refuse registration on the ground that the applicant's arrangements did not comply with the general principles. He would also be empowered, if the case warranted it, to strike a data user off the register, and to take proceedings against data users. A tribunal would be set up to provide a channel for appeals against his decisions. The Registrar would report annually to Parliament.

In addition to registering, and subject to any exemption permitted by the legislation, data users would have to comply with the general principles, which would be supplemented by regulations governing the processing of particularly sensitive

[1] *Data Protection. The Government's Proposals for Legislation.* Cmnd 8539. HMSO, £2·30. ISBN 0 10 185390 4.

data. The Council of Europe's Convention prohibits the processing of data which reveal racial origin, political opinions or religious or other beliefs, health or sexual life and criminal convictions, unless the law provides appropriate safeguards. Some of these categories of data (and in particular medical records) may well need to be covered by regulations which might, for example, place special restrictions on the collection, processing, holding or disclosure of information from such records.

The legislation would not apply to data needed to safeguard national security, or to data needed by the police and other law enforcement agencies for the prevention and detection of crime. However, central government, local authorities, the police, nationalised industries and other public sector bodies would be required to register in the same way as other users. The register would clearly indicate the purposes for which these bodies use data relating to individuals and any arrangements for transferring such data from one organisation to another.

Criminal and civil sanctions would be tailored to fit the general principles and to complement the Registrar's powers. It would be an offence to make a false statement to the Registrar; to process personal information automatically without being registered or exempted from registration; or to fail to comply with a notice served by the Registrar regarding a defect. The main purpose of the civil remedies would be to ensure that people who suffered damage because of a breach of requirements governing data could secure compensation.

Safeguards on International Trade in Information

When the Council of Europe Data Protection Convention comes into force, it will confirm the rights of countries with data protection legislation to refuse to allow personal information to be sent to other countries which do not have comparable safeguards. This could threaten firms with international interests operating in Britain and the activities of British computer bureaux which process data for overseas customers. The proposed legislation would enable Britain to ratify the Convention and thus to conform with international standards of privacy protection.

Shorter Note

DISPLACED CYPRIOTS IN BRITAIN

The decision to allow certain citizens of Cyprus displaced as a result of the crisis there in 1974 (see pp 304-9, 1974) to remain in Britain was announced on 29 April by Mr Timothy Raison, Minister of State at the Home Office. Mr Raison said that during 1974 and 1975 some 10,000 Cypriots were admitted or allowed to remain in Britain as displaced persons under the Government's concessionary policy outside the Immigration Rules. The majority had since chosen to return to Cyprus; some, for whom no further hardship would be caused, were refused further leave to remain; the remainder were given annual extensions of stay on the understanding that they would re-establish themselves in Cyprus in due course. Representations had been made on behalf of the last group and the Government accepted the argument that a more secure basis for their stay would be justified.

The Government was now prepared to grant indefinite leave to remain in Britain to all those who had been accepted as displaced persons who still had valid leave to remain under the concessionary policy. This would include persons who had recently been refused further extensions of stay and were appealing against such decisions as well as those whose cases were being considered.

Mr Raison emphasised that the 'wholly exceptional treatment' offered to these particular citizens of Cyprus only applied to those now legally resident. It did not apply to those who had returned to Cyprus nor to people who had overstayed, entered Britain illegally, or otherwise disregarded immigration law.

Source: Home Office press release, 29.4.82.

EXTERNAL AFFAIRS AND DEFENCE

The Falkland Islands

Since Argentina's illegal invasion and occupation of the Falkland Islands and Dependencies in early April, Britain has continued to work constructively towards a peaceful settlement, while taking steps to exercise its right to self-defence under article 51 of the United Nations Charter. At the beginning of May Britain accepted peace proposals providing for an interim agreement designed to prepare the way for a settlement, but Argentina refused to do so. Further negotiations involving the United Nations Secretary-General are continuing.

Throughout April and early May the Government reported regularly to Parliament on developments in the dispute, both diplomatic and military, and in a debate in the House of Commons on 29 April it reaffirmed its commitment to securing Argentina's withdrawal from the Falkland Islands and to a peaceful settlement to the dispute in accordance with United Nations Security Council resolution 502 of 3 April (see p 109). Britain has also fulfilled scrupulously its obligation under the United Nations Charter to report to the Security Council on measures taken in exercise of its right of self-defence, including the recapture of South Georgia and the declaration of the maritime and total exclusion zones.

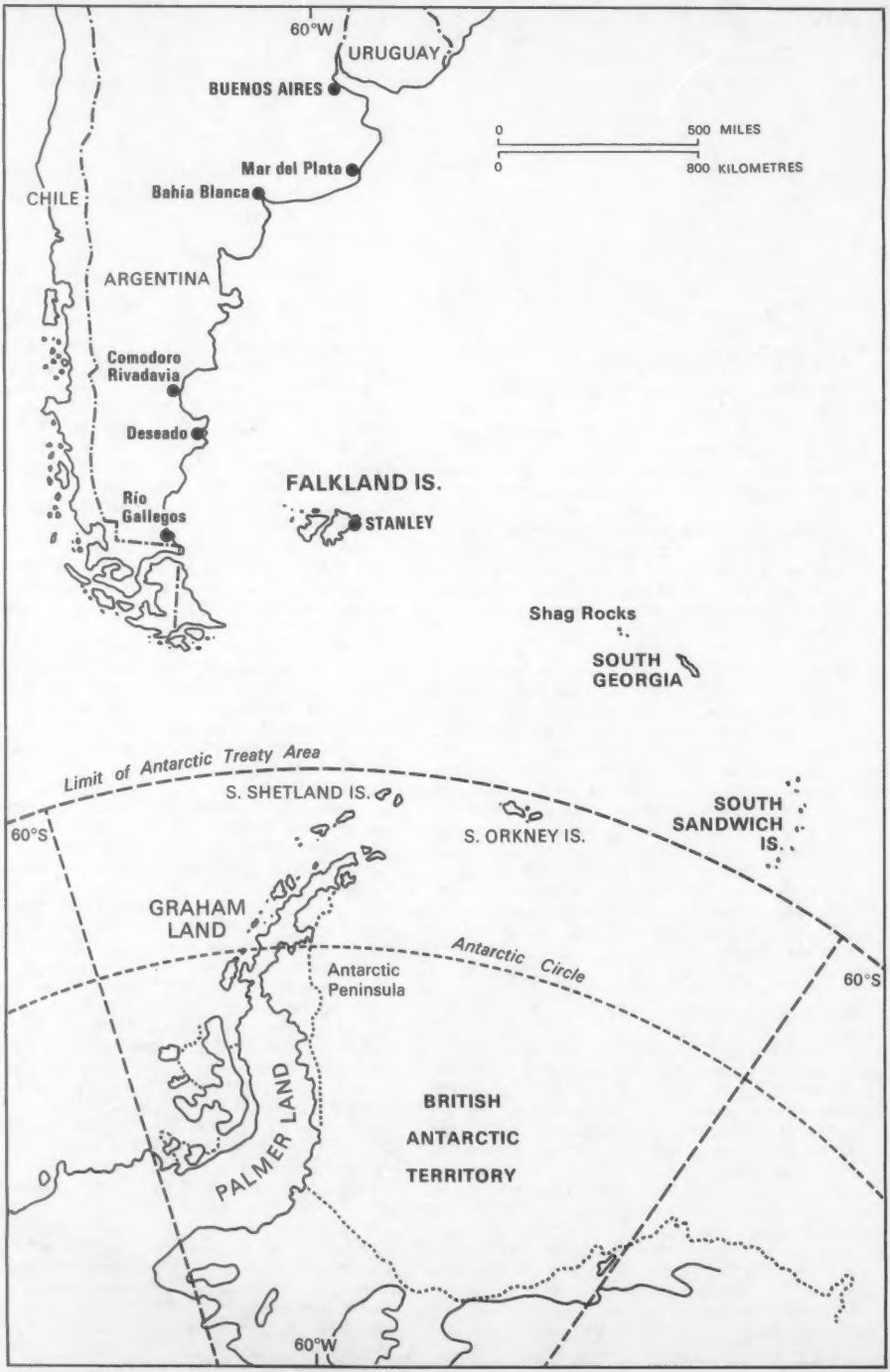
PARLIAMENTARY DEBATE

Prime Minister's Speech

Opening the parliamentary debate on 29 April (*Hansard*, Vol 22, No 106, cols 980-1060), the Prime Minister, Mrs Margaret Thatcher, pointed out that, since the Argentine invasion of the Falkland Islands in early April (see pp 105-12), the Government had taken every possible step to achieve 'the withdrawal of the Argentine forces and the end of their illegal occupation of the Islands, the restoration of British administration, and a long-term solution acceptable not only to the House but to the inhabitants of the Falkland Islands'. It was the Government's most earnest hope that these objectives could be achieved by a negotiated settlement, and, although Britain had done everything to encourage the attempts of the US Secretary of State, Mr Alexander Haig, to find a solution by diplomatic means, military measures had been taken to strengthen diplomatic efforts (see p 155). Britain's military response, however, had been measured and controlled and the recapture of South Georgia, accomplished without loss of life on either side, had been conducted in exercise of Britain's right of self-defence under article 51 of the United Nations (UN) Charter.

The Prime Minister noted that, while the House had broadly supported both the Government's objectives and its actions, some members had argued that Britain should not have resorted to the use of force and that it should have sought greater involvement by the United Nations. With respect to the former, Mrs Thatcher said that it would have been totally inconsistent to have supported the dispatch of the task force and yet have been opposed to its use. The use of the task force in self-defence for the recapture of British territory was a proper use of force and as long as Argentina refused to comply with resolution 502 of the United Nations Security Council pressure had to be intensified. Britain could not abandon efforts to re-establish its authority over its own territory and to free its people from the invader.

All Britain's actions, Mrs Thatcher continued, had been based on resolution 502. Since its adoption, the Government's efforts, together with those of Mr Haig and a large part of the international community, had been directed to securing the implementation of its mandatory provisions, including Argentine withdrawal and a negotiated settlement to the dispute. Without Argentine withdrawal, Britain had no choice but to exercise its unquestionable right to self-defence under the United Nations Charter. 'It is quite wrong to suggest that because the invader is not prepared to implement the resolution the principles of the United Nations require that we, the aggrieved party, should forfeit the right of self-defence. Such an argument has no validity in international law. It would be to condone and encourage aggression and to abandon our people.' Britain supported the United Nations and believed that respect for it should form the basis of international conduct. As a number of aggressors knew, however, the United Nations had no power to enforce compliance with its resolutions and Britain had to make


60°W
URUGUAY
BUENOS AIRES
0 500 MILES
0 800 KILOMETRES
Mar del Plata
Bahía Blanca
CHILE
ARGENTINA
Comodoro Rivadavia
Deseado
Río Gallegos
FALKLAND IS.
STANLEY
Shag Rocks
SOUTH GEORGIA
Limit of Antarctic Treaty Area
S. SHETLAND IS.
S. ORKNEY IS.
SOUTH SANDWICH IS.
60°S
GRAHAM LAND
Antarctic Circle
Antarctic Peninsula
60°S
PALMER LAND
BRITISH ANTARCTIC TERRITORY
60°W

its dispositions and judgments accordingly. These simple facts were perfectly well understood by the international community which had shown 'no inclination to condemn Britain's exercise of the right to self-defence'.

Britain had been involved in constant activity at the United Nations. The British representative, Sir Anthony Parsons, had been in daily touch with the Secretary-General, Mr Perez de Cuellar, since the beginning of the crisis, and had discussed with him repeatedly and at length all possible ways in which the United Nations could play a constructive role in assisting Mr Haig's mission and in securing implementation of resolution 502. There had also been discussions about the part the United Nations could play in the longer term in negotiating and implementing a diplomatic settlement. Sir Anthony Parsons, Mrs Thatcher continued, had advised that the Secretary-General was very conscious of the complexity of the problem and of the need for careful preparation of any initiative, that he would not take any initiative which was not acceptable to both parties, and that he would require a clear mandate from the Security Council before taking any action. The Prime Minister emphasised that the Foreign and Commonwealth Secretary, Mr Francis Pym, would go to New York immediately if either he or the Secretary-General thought that a meeting between them would assist in achieving an acceptable solution (see p 154).

Responding to a suggestion that Britain should refer the issue of sovereignty over the Falkland Islands and Dependencies to the International Court of Justice, Mrs Thatcher pointed out that Argentina did not accept the compulsory jurisdiction of the Court and the issue could not be referred for a binding decision without Argentina's agreement. Britain had raised the question of the Dependencies in 1947, 1949 and 1951, but on each occasion Argentina had refused to go to the Court. In 1955 Britain had applied unilaterally to the Court against encroachments on British sovereignty in the Dependencies by Argentina, but the Court had advised that it could not pursue the matter since it could act only if there were agreement between the parties recognising the Court's jurisdiction. In 1977 Argentina, having accepted the jurisdiction of an international court of arbitration on the Beagle Channel dispute with Chile, refused to accept its results. There was no reason, Mrs Thatcher went on, for Britain which had sovereignty, and was claiming nothing more, to make the first move. 'It is Argentina that is making a claim. If Argentina wanted to refer it to the International Court, we would consider the possibility very seriously. But in the light of past events it would be hard to have confidence that Argentina would respect a judgment that it did not like.'

In conclusion the Prime Minister emphasised that Argentina had made no move to comply with the Security Council resolution and had poured additional troops and equipment into the Islands. 'There can be no doubt where the intransigence lies in this matter. The key to peace is in the hands of the Argentine Government. The responsibility is theirs.'

Opposition Views

Noting that the origin of the crisis had been a flagrant and unprovoked attack by Argentina, the Leader of the Opposition, Mr Michael Foot, said that it had been right for Britain to take the matter immediately to the United Nations, which was the proper forum for such questions to be decided. The Government had also been right to dispatch the task force for, if such action had not been taken, there would have been no disposition by the Argentine junta to negotiate in any way.

Britain, observed Mr Foot, was acting partly because of the Security Council resolution and partly under article 51 of the United Nations Charter. Pointing out that article 51 did not give a country an unlimited right to act as it wished, Mr Foot said account had to be taken of the views of the Security Council and other countries. There were also other measures that Britain could take to fortify its case and the Government should consider referring the dispute to the International Court of Justice and also the possibility of some form of United Nations trusteeship for the Falkland Islands. Another matter for consideration was the part that the United Nations could play in providing, or helping to provide, a form of interim administration acceptable to both Britain and Argentina.

Referring to Mr Haig's peace mission, Mr Foot emphasised that if it failed, Britain should be prepared to return to the United Nations for further negotiation since its paramount interest, and that of most other countries, was a peaceful settlement of the dispute. Britain had 'to try and try and try again to secure that peaceful settlement'.

Speaking for the Social Democratic Party, Dr David Owen strongly supported the declaration of the total exclusion zone (see p 155) as a means of preventing Argentina from reinforcing its forces on the Falkland Islands. It would have been intolerable for the British Government to have held back when it had the capacity to prevent this reinforcement which was in direct contravention of resolution 502. With respect to the settlement of the dispute, Dr Owen said this would have to involve a measure of compromise on all sides. The first and crucial phase had to be withdrawal of the Argentines from the Islands. It would then be reasonable to push the task force back to South Georgia, then to Ascension Island, and finally out of the South Atlantic when the last Argentine soldier had been withdrawn. An interim administration involving Britain, Argentina and the United States was not an unacceptable compromise, Dr Owen considered, provided that other aspects of administration safeguarded the views of the Islanders. As for the third stage, Dr Owen recognised that if Argentina continued to maintain that its claim to sovereignty was not negotiable, then agreement would be impossible. Britain, however, should not exclude negotiations on sovereignty. 'I believe', he continued, 'that there is a cross-party majority that is ready to negotiate. It is not ready to commit itself in advance or to exclude the views of the Falkland Islanders, but it wishes to be in a position to negotiate and to reserve our

rights overall to make a judgment.' In this connection, a reference to the International Court of Justice should not be excluded, nor should the creation of a United Nations strategic trust territory with Britain as the administering power and for which the Security Council would effectively govern strategic and military aspects and matters relating to law and order.

The Liberal Party spokesman on foreign affairs, Mr Russell Johnston, reaffirmed his party's support for the Falkland Islanders and its determination to secure an Argentine withdrawal. Its support for the Government in its efforts to achieve this, if possible without the use of force, also remained. He urged the Government to work as much as possible through the United Nations against the background of resolution 502.

The Opposition spokesman on foreign affairs, Mr Denis Healey, said that the keystone of Britain's international support had been its immediate resort to the United Nations and its success in obtaining a mandatory resolution demanding the withdrawal of Argentine forces and a diplomatic solution. Support had also been obtained as a result of Britain's determination to assert its position by the dispatch of the task force.

The right to self-defence under article 51 of the Charter, Mr Healey said, allowed force appropriate to the nature of the aggression and proportionate to its scale. If the total exclusion zone was challenged then Britain should observe the same restraints that it had done so far. Any excessive use of force would jeopardise a major objective of successive British Governments, namely to reach a settlement guaranteeing the Islanders lasting security, free from the continuing threat of an Argentine invasion.

The United Nations, Mr Healey believed, would be prepared to provide a temporary administration for the Islands during the 'transitional period' between Argentine withdrawal and the moment an agreement was reached that could be put to the Islanders to ascertain their views. He also thought that the United Nations would be prepared to offer a permanent as well as a temporary trusteeship for the Islands. If Mr Haig's mission failed, he added, then Britain should immediately seek the appointment of a United Nations good offices commission to ensure that the process of negotiation continued without interruption. Despite its weaknesses the United Nations provided the only framework for world peace and order.

Government Reply

In a speech closing the debate, the Foreign and Commonwealth Secretary, Mr Francis Pym, said that the sense of the House had been supportive and in broad agreement with government policy which was designed to apply 'all possible pressure with increasing intensity on the Argentine with the purpose of securing a negotiated settlement'. The adoption of the Security Council resolution had been a most important decision and Britain, together with its friends around the world, had lost no opportunity to press for its implementation. European Community member states, together with Norway, Australia, Canada and New Zealand had joined with Britain in banning imports from Argentina, and the Assembly of the Council of Europe had condemned Argentine aggression and had expressed solidarity with Britain.

The Government had made it clear from the beginning, Mr Pym said, that the pressure exercised on Argentina by Britain's military preparations depended directly on the visible determination to use force if necessary. In the meantime Britain had exerted itself in every way to achieve a peaceful settlement but Argentina had so far shown no indication of working seriously for a negotiated settlement. Instead there had been a flagrant abuse of the Security Council resolution through a military build-up of reinforcements on the Islands, and Argentina's public statements had shown an unaltered insistence on intransigent positions.

Emphasising that South Georgia had been retaken by a carefully limited use of force, Mr Pym said that Argentina should surely have abandoned any lingering doubts that Britain would exercise the right to self-defence. This would be done if Argentina were to be so reckless as to violate the total exclusion zone and if it could not be brought to accept a negotiated settlement. It was permissible for Britain to use its right of self-defence and would be irresponsible for it not to do so. 'It is in the interests of the whole free world that the rule of law should be upheld and that aggression should not prevail. It is not just a British interest.' The declaration of a total exclusion zone was a completely proper step to take because the Falkland Islands were a British possession.

On the role of the United Nations, Mr Pym observed that the Secretary-General was absolutely right to call for the implementation of the Security Council resolution.[1] No-one wanted to achieve this more than Britain. Argentina, however, was refusing to implement the resolution and was flouting it. 'So long as Argentina refuses to withdraw and holds on to the Islands, it is quite wrong for anyone to suggest that we should tie our hands and forgo in any way our inherent right of self-defence.' Britain had fulfilled scrupulously its obligation under article 51 of the Charter to report to the Security Council on the measures taken in self-defence, notably the declaration of the maritime and total exclusion zones, and the recovery of South Georgia.

The Government had considered the possibility of United Nations economic sanctions but had concluded that the Soviet Union would have vetoed such a move in its search for ways of increasing its influence in Argentina. As for recourse to the International Court of Justice, Britain had not closed the door to this or to any other option and it was a possibility that remained open. It had also considered the idea of a United Nations trusteeship for the Islands which had far-reaching implications. There was no indication,

[1]After the military action over South Georgia, the Secretary-General issued a statement appealing to both parties to comply immediately with the provisions of the Security Council resolution and to refrain from any action that could broaden the conflict.

however, that the Argentines would accept it. For the moment, Mr Pym added, Mr Haig's mission offered the best prospect of progress.

Looking to the future, Mr Pym emphasised that the starting point had to be an immediate withdrawal of Argentine forces. Britain was prepared to move its forces in parallel but, at the same time, it was necessary to ensure that there could be no change of mind on the part of the Argentines during the process of withdrawal. Equally important, there should not be any attempt or possibility of an attempt at re-occupation of the Islands at some future date. With regard to the interim arrangements, Mr Pym said that, provided the principle of British administration was preserved, the Government were prepared to consider reasonable suggestions and ideas in this field. On the status of the Islands in future negotiations, the Foreign Secretary said that Britain attached the highest priority to the principle of self-determination and was 'ready to co-operate in any solution which the people of the Falkland Islands could accept and any framework of negotiation which does not predetermine and does not prejudice the eventual outcome'. Any prior agreement that any negotiation had to end in sovereignty being transferred to Argentina, regardless of the views of the Falkland Islanders, was completely unacceptable to Britain.

Praising the fortitude of the Islanders, who were subject to restrictions such as a curfew and a blackout, Mr Pym said that Britain hoped that the International Red Cross would be able to establish a presence on the Islands and that with its help, or by other means, the evacuation of Islanders wishing to leave could be arranged. In order to keep the Islanders as well informed as possible, the British Broadcasting Corporation had increased its broadcasts to them and programmes were being transmitted every day.

In conclusion the Foreign Secretary made it clear that Britain's objective was a settlement and the implementation of the mandatory United Nations resolution, and not the avoidance of hostilities at any price: 'If Argentina will not accept a negotiated solution, then reluctantly and with the greatest possible restraint, we must use force. But we shall not relax for a moment in our efforts for a peaceful solution.'

DIPLOMATIC MOVES

Mr Haig's Mission

Diplomatic attempts to bring about a peaceful settlement to the dispute were at first centred on the peace mission of the US Secretary of State, Mr Alexander Haig (see p 116), who visited London and Buenos Aires twice in April.

On 22 and 23 April the Foreign and Commonwealth Secretary, Mr Francis Pym, visited Washington to discuss Britain's reaction to Argentine proposals formulated during discussions between Mr Haig and Argentine leaders in Buenos Aires between 16 and 19 April. Informing the House of Commons of his planned visit on 21 April (*Hansard*, Vol 22, No 100, cols 271-80) Mr Pym emphasised that any satisfactory negotiation had to deal with arrangements for Argentine withdrawal, the nature of any interim administration of the Islands and the framework for negotiations on a long-term solution to the dispute. The latest Argentine proposals, however, despite Mr Haig's efforts, failed to satisfy essential requirements in certain important respects and reflected continuing efforts by Argentina to establish by aggression and defiance of the United Nations aims which could not be established by peaceful means.

On his arrival in Washington Mr Pym said that, while Britain would do everything possible to find a peaceful solution, there were real difficulties and obstacles. Following discussions with Mr Haig, the Foreign Secretary met the Senate Foreign Relations Committee to present the British case regarding the dispute. Nearly all the Senators expressed support for Britain and at the end of the meeting the Committee's Chairman, Senator Charles Percy, told a press conference that if Argentina's use of force were successful a damaging precedent would be set around the world. He also expressed the view that the people of the United States solidly supported Britain. On 29 April the Senate adopted, by 79 votes to 1, a resolution declaring that the United States could not remain neutral and should work to achieve a full withdrawal of Argentine forces. On 4 May the House of Representatives urged Argentina to withdraw and called for full diplomatic support for Britain.

Following Mr Pym's return to Britain, Mr Haig had further talks in Washington with the Argentine Foreign Minister, Señor Nicanor Costa Mendez, but no progress was made. On 26 April, addressing a conference of the Organisation of American States (OAS), Mr Haig said that the OAS and the world community had made the judgment long ago that force should not be used to solve international disputes. In the current conflict the surest guide to a peaceful settlement was to be found in the Security Council resolution 502 which formed 'the indispensable basis for a solution'. The United States, explained Mr Haig, had offered its assistance to both Britain and Argentina and he had pursued 'the possibilities of averting wider conflict and a framework for a peaceful settlement'. Noting that there had been use of force by an American state and that the Security Council had clearly set out the basis for a peaceful solution, Mr Haig said that it would be inappropriate to treat the dispute within the collective security framework of the Rio Treaty.[1] (The meeting had been convened following an Argentine request to invoke the Treaty; a resolution approved on 28 April, while supporting

[1]The Rio Treaty of 1947 provides the Americas with a regional system of military security, the signatories comprising the original 21 members of the OAS plus Trinidad and Tobago which joined in 1967. The OAS members not party to the Treaty are Jamaica, Barbados, Grenada, St Vincent and the Grenadines, Antigua and Barbuda, Saint Lucia and Dominica. The Treaty's signatories, including Argentina, are committed to avoid the use of force in their international relations and to settle disputes peacefully, and Article 10 provides that nothing in the Treaty is to be construed as impairing the rights and obligations of the parties under the United Nations Charter. Another part of the Treaty states that an armed attack by any state against an American state should be considered as an attack upon all American states and provision is made for collective security measures.

Argentine rights of sovereignty over the Islands and deploring the adoption of economic sanctions against Argentina by the European Community and other States, urged Britain and Argentina to declare an immediate truce and to resume negotiations aimed at a peaceful settlement of the conflict bearing in mind the interests of the Islanders.

More negotiations followed but foundered on Argentina's refusal to accept compromise proposals elaborated by Mr Haig. As a result, on 30 April the United States President, Mr Ronald Reagan, ordered the suspension of all military exports to Argentina, the withholding of certification of Argentine eligibility for military sales and the suspension of new export-import bank credits and guarantees and of commodity credit guarantees. In addition Mr Reagan promised a positive response to requests from Britain for material support for its forces.

Outlining details of the President's decision Mr Haig said that the United States could not condone the use of unlawful force to resolve disputes and that it had made a determined effort to restore peace through the implementation of the Security Council resolution 502 Mr Haig continued: 'Our initial aim was to clarify the position of the parties and to offer suggestions on how those positions might be reconciled. We took no position on the merits of either the British or Argentine claims to the Islands.' As prospects for more intense hostilities arose, the United States had submitted a proposal based on its concern for the rule of law and on what it thought the two parties could reasonably be prepared to accept. Described by Mr Haig as fair and sound, the proposal involved:

1 a cessation of hostilities;

2 withdrawal of both Argentine and British forces;

3 ending of sanctions;

4 establishment of a British-United States-Argentine interim authority to maintain the agreement;

5 continuation of the traditional local administration with Argentine participation;

6 procedures for encouraging co-operation in the development of the Islands;

7 a framework for negotiations on a final settlement, taking account of the interests of both sides and the wishes of the inhabitants.

The United States, continued Mr Haig, had had reason to hope that Britain would consider a settlement along these lines but Argentina could not accept it. 'Argentina's position remains that it must receive an assurance now of eventual sovereignty, or an immediate *de facto* role in governing the Islands which would lead to sovereignty. For its part the British Government has continued to affirm the need to respect the views of the inhabitants in any settlement.'

In conclusion Mr Haig said that United States policy would continue to be guided by concern for the rule of law and the desire to facilitate an early and fair settlement: 'The United States remains ready to assist the parties in finding the settlement. A strictly military outcome cannot endure over time. In the end, there will have to be a negotiated outcome acceptable to the interested parties.'

At a press conference in London on 30 April, Mr Pym said that in rejecting Mr Haig's proposals the Argentine Government had 'confirmed [its] commitment to aggression in defiance of the United Nations'. Both Britain and the United States had 'done everything possible from the start to produce a negotiated settlement'. Commenting that a new situation existed as a result of the United States decision to come down decisively on Britain's side, Mr Pym announced that he would be going to Washington for discussions with Mr Haig and to New York for talks with the United Nations Secretary-General, Mr Perez de Cuellar. Britain would not abandon its efforts for a peaceful settlement and, once Argentina withdrew its forces from the Islands, was ready to move on to the negotiations foreseen in the third part of the United Nations resolution.

New Peace Proposals

Following his talks in Washington and New York on 2 May, Mr Pym told the House of Commons on 4 May (*Hansard*, Vol 23, No 108, cols 19-28) that Mr Haig had not abandoned his diplomatic endeavours following Argentina's rejection of United States proposals. Moreover, the British Government was working on various ideas including proposals put forward by President Belaúnde Terry of Peru. Referring to his talks at the United Nations, the Foreign Secretary said: 'I made it clear ... that our immediate concern is the implementation of resolution 502 and that we are open to any ideas which would achieve this on a satisfactory basis, namely, an Argentine withdrawal followed by negotiations on the long-term solution without prejudice to basic principles.' Britain remained the victim of 'a totally unprovoked act of aggression in defiance of the United Nations Charter' and was seeking 'to uphold the rule of law in international affairs'.

After further discussions Britain signified on 6 May that it was willing to accept and implement immediately proposals for an interim agreement designed to prepare the way for a settlement. These, however, were rejected by Argentina. Reporting these developments to the House of Commons on 7 May (*Hansard*, Vol 23, No 111, cols 394-402) Mr Pym said that the new proposals owed much to the 'tireless efforts' of Mr Haig and the 'constructive contributions' of President Belaúnde Terry. Had an interim agreement been accepted by Argentina, a ceasefire firmly linked to the beginning of Argentine withdrawal could have come into effect that afternoon.

Giving details of the interim arrangements under discussion on 6 May, Mr Pym said that they had included the following elements:

1 a complete and supervised withdrawal of Argentine forces from the Falkland Islands matched by corresponding withdrawal of British forces;

2 an immediate ceasefire as soon as Argentina accepted the agreement and agreed to withdrawal;

3 the appointment of a small group of countries acceptable to both sides who would supervise withdrawal, undertake the interim administration in consultation with the Islanders' elected representatives and perhaps assist in negotiating a definite agreement on the status of the Islands without prejudice to Britain's own principles or the wishes of the Islanders;

4 the suspension of the existing exclusion zones and the lifting of economic sanctions.

Noting that such an agreement would not have prejudiced in any way the outcome of the negotiations, Mr Pym said that the two sides would 'simply have acknowledged the difference that exists between them over the status of the Islands'. Britain had worked and would continue to work positively and constructively for a peaceful solution. The Argentine authorities, however, had 'so far insisted that a transfer of sovereignty to them should be a pre-condition of negotiations on a final settlement'. Mr Pym added: 'The Argentines talk much of the need for decolonisation of the Islands. What they appear to mean by this is colonisation by themselves. In addition . . . [they] seem now to be obstructing progress in another but equally fundamental way. They appear to be asking for a ceasefire without any clear link with a withdrawal of their invasion force. To grant this would be to leave them indefinitely in control of people and territory which they had illegally seized, and to deny ourselves the right of pursuing our own self-defence under article 51 of the Charter.'

Welcoming the peace efforts of the Secretary-General of the United Nations, Mr Pym said that Mr Perez de Cuellar had put to both Britain and Argentina some ideas as a framework around which progress could be made. Although the Argentine Government had claimed to have accepted these ideas, there was no indication that it had agreed to withdraw under resolution 502 or had accepted that negotiations could not be made conditional on a transfer of sovereignty. On 6 May, continued the Foreign Secretary, Britain had sent a positive and substantive reply to the Secretary-General making it clear that 'resolution 502 must be implemented without delay, that an unconditional ceasefire could not under any circumstances be regarded by [Britain] as a step towards this, and that implementation of a ceasefire must be unambiguously linked to the commencement of Argentine withdrawal which must be completed within a fixed number of days'. Emphasising that Britain was working urgently and constructively with the UN Secretary-General, Mr Pym concluded: 'I hope the Argentines will henceforth show that readiness and desire to reach a peaceful settlement which so far has been evident only on our side. If they do not, let them be in no doubt that we shall do whatever may be necessary to end their unlawful occupation. Our resolve is undiminished. It remains the Government's highest priority to achieve an early negotiated settlement if that is humanly possible.'

MILITARY MEASURES

Recapture of South Georgia

On 25 April British troops landed in South Georgia, illegally occupied by Argentina at the beginning of the month.[1] Argentine forces in Grytviken offered limited resistance but then surrendered to the British forces which were landed by helicopter and supported by a number of warships. During the first phase of the operation, Royal Navy helicopters engaged and disabled the Argentine submarine, *Santa Fe*, which posed a threat to the warships preparing to land the troops. Having taken Grytviken, British forces continued to advance during the night and on 26 April the officer commanding the Argentine forces on South Georgia formally surrendered. About 180 prisoners were taken including 50 military reinforcements who were in the submarine. The minimum of force was used and no lives – Argentine or British – were lost during the operation itself, although one Argentine prisoner lost his life in an incident on 26 April. During the debate on the Falkland Islands on 29 April (see p 149) the Prime Minister told the House of Commons that this incident was being urgently investigated by a board of inquiry in accordance with the terms of the relevant Geneva Convention.

Exclusion Zones

On 28 April the British Government announced that the maritime exclusion zone, imposed around the Falkland Islands on 12 April with the aim of preventing the sea reinforcement and supply of Argentine forces on the Islands (see p 108), would become a total exclusion zone with effect from 30 April and applicable to all ships and aircraft, whether military or civil, operating in support of Argentina's illegal occupation. Any ship or aircraft found within the zone without due authority from the Ministry of Defence would be regarded as hostile and liable to be attacked by British forces. The Government also announced its intention to close Port Stanley airport and warned that any aircraft on the ground in the Islands would be regarded as present in support of the illegal occupation and hence liable to attack. The statement concluded: 'These measures are without prejudice to the right of the United Kingdom to take whatever additional measures may be needed in exercise of its right of self-defence under article 51 of the United Nations Charter.'

Earlier in the month, before the task force had arrived in the vicinity of the maritime exclusion zone, the British Government informed the Argentine authorities on 23 April that any approach of Argentine warships, including submarines, naval auxiliaries or military aircraft which could amount

[1]South Georgia is one of the Falkland Islands Dependencies. The Dependencies are British dependent territories, legally distinct from the Falkland Islands, but for convenience they are administered by the Falklands Islands Government which is empowered to legislate for them. British sovereignty over South Georgia was first proclaimed in 1775 when it was discovered by Captain Cook. Since 1908, when it was formally annexed, Britain has occupied and administered the island openly, continuously and peacefully. Argentina first claimed the island in 1927. In 1947 and subsequently, Britain offered to submit the dispute on the Dependencies to the International Court of Justice, but Argentina has declined to submit to the Court's jurisdiction in this matter.

to a threat to interfere with the mission of the British forces in the South Atlantic would encounter the appropriate response. This warning, was made public, and conveyed to the United Nations Security Council.

On 7 May, following a series of aerial and naval engagements around the Falkland Islands (see below), Britain announced the extension of the total exclusion zone. After first reaffirming the Government's determination to take all necessary measures to protect the British forces, the statement continued: 'Because of the proximity of Argentine bases and the distances that hostile forces can cover undetected, particularly at night and in bad weather, Her Majesty's Government warns that any Argentine warship or military aircraft which is found more than 12 nautical miles from the Argentine coast will be regarded as hostile and is liable to be dealt with accordingly.'

Aerial and Naval Engagements

Following the declaration of the total exclusion zone, several naval and aerial military engagements took place between Argentine and British forces. On 1 May, acting to enforce the zone, British Vulcan and Sea Harrier aircraft cratered the runway of Port Stanley airport in order to prevent landings by Argentine transport aircraft, and on the next day a naval bombardment of the airfield took place. On 4 May a further sortie was made to render the airstrip unsuitable for light supply, communications and ground attack aircraft. The other main airfield at Goose Green on East Falkland was also attacked. On 1 May Argentine Mirage and Canberra aircraft operating from the mainland launched attacks on British ships which were repulsed by the task force's Sea Harriers which shot down one Canberra and one Mirage.

On 2 May the Argentine cruiser, *General Belgrano*, escorted by two destroyers, was detected just outside the total exclusion zone by a British submarine. Because of the threat this posed to British ships, the submarine torpedoed the cruiser which later sank. The two accompanying destroyers, however, were not attacked and were thus able to go to the cruiser's assistance. (Nearly 800 of the cruiser's crew, which numbered some 1,100 were rescued.) On 3 May a British Sea King helicopter was fired on by an Argentine patrol craft which was then attacked and sunk by a Lynx helicopter. A second Lynx then came under attack from another Argentine vessel which was attacked and damaged.

On 4 May HMS *Sheffield*, which was enforcing the total exclusion zone, was attacked by Argentine Super Etendard fighter aircraft which launched two Exocet missiles. Although one missile missed the ship, the other hit it amidships, the resulting explosion causing a major fire. Attempts were made to extinguish the fire but after nearly four hours it spread out of control and the order was given to abandon ship. Some 20 men on board were killed and 24 injured. During further air operations conducted over the Islands on the same day, one Sea Harrier was shot down and the pilot killed.

Giving details of the early engagements, the Secretary of State for Defence, Mr John Nott, reminded the House of Commons on 4 May (*Hansard*, Vol 23, No 108, cols 29-37) that the Government had made it clear to the Argentine Government on 23 April (see above) that Britain would exercise its rights to self-defence to the full if this proved necessary to protect the task force. The prolonged air attack on the British ships on 1 May, the presence of an Argentine submarine and all the other information available had left Britain in no doubt about the dangers to the task force from hostile action. With respect to the sinking of the *General Belgrano*, Mr Nott said that a heavily armed surface attack group was close to the total exclusion zone and closing on elements of the task force, which was only hours away. The cruiser, stated Mr Nott, had 'substantial fire power provided by 15 six-inch guns, with a range of 13 miles, and Seacat anti-aircraft missiles'. Together with its escorting destroyers, which the Government believed were equipped with Exocet anti-ship missiles having a range of more than 20 miles, 'the threat to the task force was such that the task force commander could ignore it only at his peril'.

Acknowledging that the loss of life from these incidents was of deep concern to the House, Mr Nott said that Britain's first duty had to be the protection of its own ships and men. 'There may be further attacks on our forces and they must be allowed to act in self-defence. We cannot deny them that right. Nor must we forget that military action began by an attack on British marines and the forceable seizure of British territory. The way of stopping the fighting forthwith is for the Argentines to withdraw their garrison from the Falkland Islands in compliance with the United Nations resolution 502.'

Shorter Notes

SINAI: ISRAELI WITHDRAWAL

On 25 April Israel completed its withdrawal from Sinai as provided for in the Egypt-Israel peace treaty of March 1979 (see pp 91-2, 1979). At the same time, elements of the Multinational Force and Observers (MFO), an eleven-nation peacekeeping force to which Britain and three of its partners in the European Community have contributed contingents (see pp 361-2, 1981), took up positions along the Egyptian-Israeli border. The MFO will also patrol the disputed territory of Taba, west of Eilat on the Gulf of Aqaba, until agreement is reached on which country has sovereignty.

Israel captured Sinai in the Arab-Israel war of 1967. A narrow strip of eastern Sinai was recaptured by Egypt in the war of 1973, and in the subsequent disengagement agreements of January 1974 and September 1975 Israel withdrew from further small areas. Further withdrawals awaited the conclusion of the 1979 peace treaty, which followed the Camp David agreement of

September 1978 (see pp 352-5, 1978), and these, covering about two-thirds of Sinai, took place in six stages between May 1979 and January 1980.

The British Government has welcomed the withdrawal, seeing it as an important step forward in the search for a peace settlement in the region. Addressing the Assembly of the Council of Europe on 28 April, Mr Douglas Hurd, Minister of State at the Foreign and Commonwealth Office, said that Britain and its partners in the European Community had consistently expressed support for the Egypt-Israel peace treaty, and had admired the determination which the two countries had shown in surmounting the difficulties encountered in implementing the withdrawal agreement. The challenge now was to repeat that success in a wider peace settlement which would recognise the right of the Palestinians to self-determination. This and the recognition of Israel's rights to existence and security were fundamental to any lasting peace in the region.

EL SALVADOR

Dr Alvaro Magaña took office on 2 May as interim President of El Salvador, following elections held on 28 March for a constituent assembly to elaborate a constitution in preparation for elections in 1983. The results of the elections, which produced no clear majority for any party, are shown below.

	Votes	*Seats*
Christian Democratic Party (PDC)	526,890	24
Republican Nationalist Alliance (ARENA)	383,632	19
National Conciliation Party (PCN)	248,964	14
Democratic Action Party (AD)	98,364	2
Salvadorean Popular Party (PPS)	38,504	2
Popular Party (POP)	12,151	—

The total number of valid votes exceeded 1·3 million.

The left-wing Alliance of the Democratic Revolutionary Front (FRD) and the National Liberation Front (FMLN) (generally referred to as the 'Left') refused to take part in the elections, which they had insisted should be preceded by discussions between them and the Government on all aspects of the conflict in El Salvador.

In their report on the conduct of the elections, issued on 7 April,[1] the two observers appointed by the British Government to monitor the elections (see pp 71-3) concluded that the Salvadorean electoral law was a fair one, containing sufficient safeguards to ensure a result reflecting the sentiments of the people of El Salvador. The conduct of the elections, though not free from difficulties, was fair and there was no significant evidence of intimidation, coercion or ballot-rigging.

The report also concluded that:

1 In the view of most of the Salvadoreans interviewed, the failure of the Left to provide candidates was due to their lack of support, though the fear of the Left for the safety of their candidates was not without foundation.

2 The armed forces, in abstaining from voting and in providing the protection necessary to enable the elections to be held, behaved in a commendable fashion.

3 The exceptionally high vote, in which approximately 75 per cent of the eligible electorate came to the polls, demonstrated a decisive rejection of the call by the Left for a boycott of the elections, and was achieved despite the attempts of the guerilla forces to frustrate the elections.

4 The people of El Salvador saw the elections not as a solution in themselves, but rather as a first and essential step towards a resolution of their problems, and by their emphatic endorsement of the elections they meant to demonstrate their wish to resolve their problems by democratic processes and not by violence.

[1] *Report on the Election in El Salvador on 28 March 1982.* Cmnd 8553. HMSO, £2·55. ISBN 0 10 185530 3.

Oil and Gas

Britain's North Sea oil production in 1981 – which together with North Sea gas production accounted for some 4 per cent of gross national product – exceeded consumption for the first time, according to the Department of Energy's latest annual review of oil and gas development. Exploration activity offshore reached its highest level since 1977 (73 exploration and appraisal wells were drilled in 1981 compared with 54 in 1980 and 105 in 1977) and revenue from the sale of oil produced increased to a record £12,300 million. Total capital investment in oil and gas production was estimated at some £2,800 million, about 20 per cent of total industrial investment in Britain.

ANNUAL REVIEW

The annual report of the Department of Energy on the development of Britain's oil and gas resources was published on 29 April.[1]

Oil Production, Reserves and Exports

Britain's total oil production in 1981 was 89·4 million tonnes, compared with 80·5 million tonnes in 1980. The 1981 figure includes 0·4 million tonnes of gas condensate (a mixture of pentane and higher hydrocarbons) extracted mainly from the output of the Frigg gasfield and other gasfields in the Southern Basin of the North Sea, 1·2 million tonnes of heavier natural gases from oilfields and 0·2 million tonnes of crude oil from fields in Dorset and the East Midlands. During the year three new offshore oilfields, Tartan, Buchan and Beatrice, came onstream bringing the number of offshore oilfields in production to 18 (see Table 1) at the end of 1981. Two further fields, Fulmar and North Cormorant, came onstream in February 1982. Named oilfields are shown on the map on p 159. It is estimated that production will rise to 90–105 million tonnes in 1982 and 95–130 million tonnes in 1985. The original quantity of recoverable reserves in the United Kingdom Continental Shelf (UKCS) is now estimated at 2,100–4,300 million tonnes: 1,825–2,125 million tonnes in present discoveries (after extraction of 354 million tonnes, some 1,475–1,775 million tonnes remain) and 275–2,175 million tonnes in future discoveries.

Exploration activity in 1981 showed a significant increase compared with previous years, reaching its highest level since 1977; 47 exploration wells and 26 appraisal wells were drilled. Twelve discoveries were announced, the highest number since 1976. Some 134 development wells were started, a further increase on previous years.

More than half of the oil from the UKCS was exported in 1981, the balance of requirements for British refineries being met by imports of crude oils of a different type from North Sea oil. Exports of UKCS crude oil in 1981 amounted to 51 million tonnes, virtually all of which went to the markets of Britain's partners in the European Community and the International Energy Agency; the two largest markets were the United States (which took 15·5 million tonnes) and the Federal Republic of Germany (12·7 million tonnes). For the first time, these exports offset imports of 33 million tonnes.

Gas Production and Reserves

Production of natural gas amounted to 37,400 million cubic metres (mcm) in 1981, a slight increase on the figure for 1980 (see Table 2). UKCS production accounted for 75 per cent of gas supplied to the British Gas Corporation (BGC), compared with 78 per cent in 1980. The higher import share arose from reduced production from some of the fields in the Southern Basin of the North Sea, although this was partly offset by increased output from the British-Norwegian Frigg field.

Almost all the gas hitherto supplied to the BGC has come from gasfields containing insignificant quantities of oil; however, gas found in association with oil (or 'associated gas') from the Brent field, the first major source of such gas to be developed on the UKCS, will flow to the gas terminal at St Fergus (Grampian) through the Shell/Esso Far North Liquid and Associated Gas (FLAG) system, expected to begin operation in 1982. Further north, Shell/Esso's Western Leg pipeline is linked to the FLAG system, providing a route ashore for gas from the Ninian, North-West Hutton and North and South Cormorant fields. Work has begun on the construction of the Northern Leg

[1] *Development of the oil and gas resources of the United Kingdom 1982.* Department of Energy. HMSO, £5·50. ISBN 0 11 411123 5.

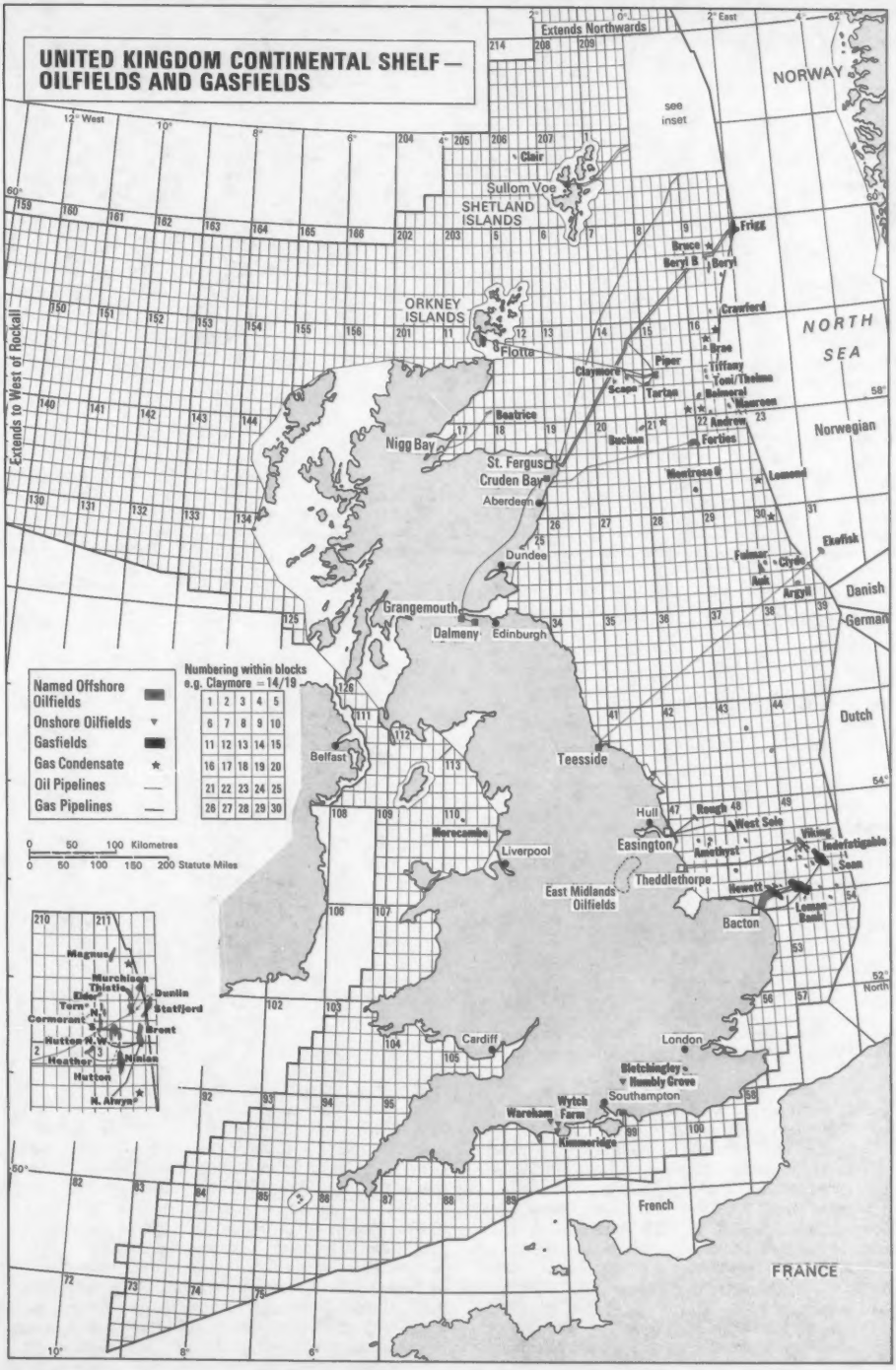

UNITED KINGDOM CONTINENTAL SHELF — OILFIELDS AND GASFIELDS
Extends Northwards
see inset
NORWAY
Clair
Sullom Voe
SHETLAND ISLANDS
Frigg
Bruce
Beryl B
Beryl
ORKNEY ISLANDS
Crawford
Flotta
Brae
Piper
Tiffany
Claymore
Scapa
Tartan
Tuel/Thelma
Balmoral
Maureen
NORTH SEA
Extends to West of Rockall
Beatrice
Andrew
Forties
Buchan
Nigg Bay
St. Fergus
Cruden Bay
Montrose
Leman
Aberdeen
Ekofisk
Dundee
Fulmar
Clyde
Ann
Argyll
Danish
German
Grangemouth
Dalmeny
Edinburgh
Dutch
Named Offshore Oilfields
Onshore Oilfields
Gasfields
Gas Condensate
Oil Pipelines
Gas Pipelines
Numbering within blocks e.g. Claymore — 14/19
Belfast
Teesside
Hull
Rough
West Sole
Viking
Indefatigable
Sean
Easington
Amethyst
Morecambe
Liverpool
Theddlethorpe
East Midlands Oilfields
Hewett
Leman Bank
Bacton
Magnus
Murchison
Thistle
Dunlin
Statfjord
Brent
Cormorant
Hutton N.W.
Heather
Hutton
Ninian
N. Alwyn
Cardiff
London
Bletchingley
Humbly Grove
Southampton
Wytch Farm
Wareham
Kimmeridge
French
FRANCE
0 50 100 Kilometres
0 50 100 150 200 Statute Miles

Table 1
Offshore Oil Production*

million tonnes

Field	1975	1976	1977	1978	1979	1980	1981
Argyll	0·5	1·1	0·8	0·7	0·8	0·8	0·5
Auk	—	1·2	2·3	1·3	0·8	0·6	0·6
Beatrice	—	—	—	—	—	—	0·2
Beryl A	—	0·4	3·0	2·6	4·7	5·4	4·7
Brent	—	0·1	1·3	3·8	8·8	6·8	11·1
Buchan	—	—	—	—	—	—	0·9
Claymore	—	—	0·3	3·0	4·0	4·4	4·5
South Cormorant	—	—	—	—	0·04	1·1	0·7
Dunlin	—	—	—	0·7	5·7	5·2	4·7
Forties	0·6	8·6	20·1	24·5	24·5	24·6	22·8
Heather	—	—	—	0·1	0·8	0·7	1·2
Montrose	—	0·1	0·8	1·2	1·3	1·2	1·1
Murchison (UK)	—	—	—	—	—	0·4	3·1
Ninian	—	—	—	0·04	7·7	11·4	14·3
Piper	—	0·1	8·6	12·2	13·2	10·4	9·8
Statfjord (UK)	—	—	—	—	0·04	0·5	1·2
Tartan	—	—	—	—	—	—	0·7
Thistle	—	—	—	2·6	3·9	5·3	5·5
Total	1·1	11·5	37·3	52·8	76·5	78·7	87·6†

*All figures given above are rounded to the nearest 100,000 tonnes (except for the Ninian field in 1978, and the South Cormorant and Statfjord UK fields in 1979). Discrepancies between totals and the sums of their component parts are due to this rounding.

Of the other named offshore oilfields shown on the map, the following are under development: Beryl B, Brae, Hutton, North-West Hutton, Magnus and Maureen. Fulmar and North Cormorant came onstream during February 1982.

†The figure of 87·6 million tonnes does not include 0·4 million tonnes of gas condensate, 1·2 million tonnes of heavier natural gases from oilfields and 0·2 million tonnes from onshore fields.

Table 2
Offshore Gas Production

million cubic metres

Field	1975	1976	1977	1978	1979	1980	1981
West Sole	1,826	2,012	1,947	1,533	1,365	1,445	1,455
Leman Bank	15,015	15,367	15,581	14,719	13,831	9,482	13,207
Hewett area	7,644	8,113	7,852	6,392	6,288	6,568	5,048
Indefatigable	6,249	6,355	6,779	6,450	6,006	6,878	5,613
Viking area	5,512	6,046	6,330	5,238	4,397	4,689	3,307
Rough	10	512	1,063	931	1,005	467	99
Frigg (UK)	—	—	614	2,907	5,345	6,374	7,057
Piper*	—	—	—	4	536	521	520
Other†	—	10	138	326	455	866	1,083
Total	36,256	38,415	40,304	38,500	39,228	37,290	37,389

*Associated gas used offshore or delivered to land via the Frigg pipeline system.

†Associated gas produced and used mainly on Northern Basin oil production platforms.

pipeline, which will also feed into the FLAG system and carry associated gas from the Magnus, Murchison and Thistle fields.

Development of the Morecambe field (for which a terminal is under construction at Barrow-in-Furness (Cumbria)) and the reservoir capacity of the Rough field will help the BGC to meet peak winter demand from 1983-84. After allowing for cumulative production to the end of 1981 of 420,000 mcm, remaining gas reserves in the UKCS are estimated at between 950,000 and 1·85 million mcm.

The report mentions that following its approval for the construction of a gas-gathering pipeline in the northern North Sea (see pp 243-4, 1980), the Government announced in September 1981 that it had completed its examination of the scheme but that the private sector had not come forward with proposals to invest in the scheme at the necessary levels. It had therefore decided that companies should, in the future as in the past, make their own arrangements for bringing their gas ashore. Following its decision, the oil companies have started to consider their own plans, both individually and collectively. It is expected that these will result in a number of smaller gas-gathering schemes, built as and when required to serve appropriate sectors of the North Sea.

Table 3

Taxes and Royalties attributable to UKCS Oil and Gas

£ million

	1977-78	1978-79	1979-80	1980-81	1981-82 (provisional)
Royalties	228	289	628	991	1,350
Supplementary petroleum duty*	—	—	—	—	2,050
Petroleum revenue tax	—	183	1,435	2,420	2,380
Corporation tax†	10	90	266	480	650
Total	238	562	2,329	3,891	6,430

*See p 99, 1981, and p 118.

†Estimated proportion of the tax payable in the year attributed to UKCS oil and gas, but before setting off any advance corporation tax (ACT).

Oil and Gas (Enterprise) Bill

The report gives details about the Government's plans to dispose of the British National Oil Corporation's oil-producing business and to permit the disposal of assets held by the BGC, as embodied in the Oil and Gas (Enterprise) Bill, which was given a second reading in the House of Commons on 19 January (see pp 46-7). It also describes the Bill's provisions for the introduction of competition into the supply of gas.

Licensing

The seventh round of offshore production licences was completed with the announcement in October 1981 of a further 11 awards for blocks specifically listed by the Secretary of State for Energy. Eight were in the northern North Sea. These awards brought the total number for the round to 90, all of which were taken up. More blocks were offered and licensed in the seventh round than in the previous two rounds taken together.

Fifteen new onshore production licences were awarded in 1981, while 31 exploration licences (which, unlike production licences, confer no right to drill for or purchase petroleum, but only permit surveys and shallow drilling to obtain geological information) were also awarded.

Economic and Industrial Impact

In 1981 UKCS oil and gas production accounted for some 4 per cent of gross national product. Sales of oil produced on the UKCS were valued at £12,300 million and of natural gas £800 million. A growing proportion of the value added by the UKCS sector will accrue to the Government as receipts of royalties, corporation tax and petroleum revenue tax continue to rise (see Table 3). The supplementary petroleum duty is to be abolished at the end of 1982 (see p 118).

Capital investment in offshore oil and gas exploration and production in 1981, including that of drilling contractors and other contractors providing services unique to the industry, is estimated at some £2,800 million compared with £2,400 million in 1980. This represents about 20 per cent of total industrial investment in Britain in 1981 and about 7 per cent of gross domestic fixed capital formation. Over the period 1965-81 investment of some £16,000 million (about £26,000 million at 1981 prices) took place, together with expenditure of some £5,000 million at 1981 prices on exploration.

In 1981 the total value of orders reported by operators in the UKCS for equipment and services to be used in offshore operations was £2,900 million, of which the British share was 67 per cent compared with 71 per cent the previous year. The slight fall in the British share was due to heavy ordering in the drilling rig sector, where the British fleet is currently limited. The higher level of drilling activity in 1981 is also reflected in total expenditure on exploration, which rose by £179 million during the year to £558 million. Expenditure on the construction and installation of platforms and associated equipment and on pipelines and onshore terminals in 1981 amounted to nearly £2,500 million for oilfields and nearly £300 million for gasfields.

National Income and Expenditure 1981

In spite of increased output in mining and quarrying – with profits of North Sea oil and gas companies up by over 40 per cent – and in metal manufacture, gross domestic product fell in volume by 2·8 per cent between 1980 and 1981. Output in construction and in manufacturing fell sharply in real terms as did fixed investment. A rise in overseas lending by banks, however, contributed to an increase of over 60 per cent in income from abroad for the financial sector.

This summary is based on revised figures of national income and expenditure for the year 1981 and the fourth quarter, together with estimates of the sector current or appropriation accounts, the summary capital account and fixed investment. Figures are expressed in nominal amounts unless specified to be in volume or real terms, which allow for price changes. Complete data are not available and some figures are less reliable than usual because of the civil servants'

dispute in 1981. The information is from a Central Statistical Office press notice of 31 March.

Gross Domestic Product

Britain's gross domestic product (GDP) at factor cost (measured by output data) fell in volume by 2·8 per cent between 1980 and 1981. However, it rose during the course of 1981, partly because of a fall in destocking. In two sectors real output rose in 1981 – mining and quarrying (by 6·1 per cent) and metal manufacture (by 6·8 per cent). The volume of output in the distributive trades, in gas, electricity and water and in agriculture, forestry and fishing fell by less than 1 per cent. The largest fall, of 12·3 per cent, was in construction; manufacturing output fell by 6·4 per cent.

Complete statistics of overseas trade in the middle of 1981 are not yet available. However, the volume of exports in the fourth quarter of 1981 was 6·9 per cent higher than in the first quarter and that of imports 16·6 per cent higher (the level having been particularly depressed in the earlier period).

Personal Sector

Personal income before tax rose by 9·5 per cent between 1980 and 1981, with wages and salaries increasing by 7·5 per cent, the smallest rise since 1969. Personal disposable income (personal income before tax less taxes on income, National Insurance and similar contributions and transfers abroad) rose by 8·5 per cent although real personal disposable income fell by 2 per cent, the first fall since 1977. The saving ratio (personal saving as a percentage of personal disposable income) fell from 15·4 per cent to 13·7 per cent, also the first fall since 1977.

Consumers' Expenditure

Consumers' expenditure increased by 10·7 per cent in 1981 but the volume was virtually the same as in 1979 and 1980. Expenditure on radio and electrical goods rose by 4·8 per cent in real terms while expenditure on clothing other than footwear and on furniture and floor coverings both increased by between 3 and 4 per cent. The volume of expenditure on food, however, fell by 2 per cent, on tobacco by 7·7 per cent, on beer by 5·7 per cent and on wines and spirits by 3·1 per cent.

Industrial and Commercial Companies

There was a rise of 5·8 per cent in the income of industrial and commercial companies in 1981. Gross trading profits also increased, by 5·2 per cent before providing for stock appreciation and by 9·8 per cent net of stock appreciation. Because of increases in output and price during 1981, the gross trading profits of North Sea oil and gas companies rose by 40·6 per cent.

Financial Companies and Institutions

Income of financial companies and institutions fell by 0·9 per cent in 1981. Income from abroad rose by 61·3 per cent but income from domestic sources fell by 8 per cent. The increase in income from abroad was largely due to a rise in overseas lending by banks, which earned some £1,000 million from overseas transactions in foreign currencies in 1981, nearly three times as much as in 1980.

Central Government

Between 1980 and 1981 current receipts of central government rose by 15·8 per cent. Receipts from taxes on income together with National Insurance contributions increased by 16·7 per cent and from taxes on expenditure by 14·1 per cent. The large rise in the yield from taxes on income was partly due to increased receipts from oil companies in the form of petroleum revenue tax and supplementary petroleum duty. Current expenditure rose by 17·2 per cent with final consumption rising by 14·2 per cent.

Public Corporations

The income of public corporations increased by 26·5 per cent in 1981. Their gross trading surplus rose by 28·5 per cent (25·2 per cent net of stock appreciation).

Local Authorities

Current receipts of local authorities increased by 15·5 per cent between 1980 and 1981 and current expenditure by 11·6 per cent. Final consumption rose by 13·4 per cent.

Summary Capital Account

The summary capital account, which summarises the saving and investment of all sectors – personal, corporate and public – shows a virtually unchanged level of saving between 1980 and 1981. Investment (including investment abroad) fell by 9·1 per cent, leading to a rise in the financial surplus of 21·3 per cent.

Volume of Fixed Investment

Between 1980 and 1981 the volume of gross domestic fixed investment fell by 7·6 per cent. The fall was especially marked for general government (29·9 per cent), with a reduction of 2·9 per cent for the private sector and 7·9 per cent for public corporations.

By type of asset, investment in plant and machinery fell by 1·3 per cent and in new buildings (other than dwellings) and works by 3·2 per cent. There were very large declines in the vehicles, ships and aircraft sector (down by 20 per cent) and in dwellings (down by 24·5 per cent with investment by the public sector down by 35·5 per cent).

By industry group, investment in petroleum and natural gas rose by 9 per cent and in gas, electricity and water by 6·7 per cent. Most other groups experienced a fall, 17·6 per cent in the case of manufacturing.

Industrial Awards

The Queen's Awards for Export and Technology and the Design Council Awards for 1982 were announced recently.

Firms in the aerospace industry, civil engineering consultants, other service industry

firms and small firms featured prominently among the 91 winners of awards for export achievement. The 19 winners of awards for technology included more aerospace firms and other companies employing expertise in electronics and lasers.

Among 32 winners of Design Council Awards was Rediffusion Simulation, which was also awarded Britain's highest design award, the Duke of Edinburgh's Designer's Prize, for its advanced flight simulators.

Most of the achievements for which awards were made are described below. Full details of all the awards are available from The Queen's Awards Office, Dean Bradley House, 52 Horseferry Road, London SW1P 2AG and The Design Council, 28 Haymarket, London SW1Y 4SU.

QUEEN'S AWARDS

The Queen's Awards for Export and Technology, published on 21 April (the Queen's birthday), are made on the advice of a committee comprising representatives of industry and commerce, including the trade unions and civil servants. Instituted in 1965 and revised in 1975 (see pp 443-4, 1975), the awards can be made both to British firms and to subsidiaries of overseas companies. The recipients represent a wide spread of industrial and commercial activity and size of company, and include firms from every region of Britain. They hold their award for five years, in which time they may display the award emblem in various ways.

The 110 winners of export and technology awards this year were chosen from a total of 1,079 applicants, 143 fewer than last year, and included 18 firms already holding awards.

Export Achievement

Export achievement awards are made for 'a substantial and sustained increase in export earnings to a level which is outstanding for the products or services concerned and for the size of the applicant unit's operations'.

Aerospace Equipment: Winners included Aircraft and Instrument Demisting, a very small company making a demist filter for night vision goggles and sights and anti-mist and frost coatings for glass substrates, used on civil and military aircraft, the Apollo and Sky-Lab space missions, and on tanks and other vehicles; Aircraft Furnishing International, which has had outstanding success with a lightweight passenger seat design, and exports mainly to the United States, Sweden and East Asia; the Aircraft Group of British Aerospace, which sells products in over 50 countries, including its Harrier, Hawk, Tornado and Jaguar military aircraft (some built in collaboration with other European firms), its One-Eleven, 146, 748, 125 and Jetstream 31 civil aircraft, and the wings for the European Airbus; the Display Group of the Navigation Systems Department of Ferranti, which designs and assembles a system known as Combined Map and Electronic Displays, mainly in military aircraft, achieving export successes in Europe, the United States and India; the Actuation Division of Lucas Aerospace, which designs and develops hydraulic and pneumatic actuation systems for secondary flying control systems, aircraft gas turbine engine thrust reversers, and other engine and missile actuation systems for sale in Europe and Asia; the Martin-Baker Aircraft Company, whose military aircraft ejection seats, which are in service in 67 countries and are reckoned to have saved nearly 5,000 lives in 35 years, have won the company four previous export awards; the Avionics Division of Racal-Decca Navigator, winner of an award in 1974, whose airborne navigation systems have been fitted in 94 different types of aircraft in 52 countries; and the Cheltenham Division of Smiths Industries Aerospace and Defence Systems Company, an award winner in 1976, which makes control and display systems used on a number of British and foreign civil and military aircraft, including products specified as standard equipment for three types of United States Boeing aircraft.

Electrical and Electronic Goods: Among winners in this sector were a small company, Aston Electronic Developments, which manufactures television broadcasting equipment, including a Video Character Generator available in over 150 national character sets and with a keyboard in 16 different languages; BICC Power Cables, a major British manufacturer and exporter to about 75 countries of copper and aluminium conductor electric cable for use in power stations, mines, railways and large construction projects; the Magnetic Media Manufacturing Division of Control Data, which, although only set up in 1973, won an award in 1978, and is one of the three leading suppliers in Western Europe of tape, disc packs and cartridges for computer systems; Huntleigh Medical, a small firm making electromedical and electronic equipment for use in hospitals and marketing over 85 per cent of its output to Western Europe, North America and Japan; Pirelli General, which manufactures electric cables and accessories, and, through subsidiaries and local teams abroad, undertakes multi-disciplinary projects involving civil engineering works and the supply and installation of cables in over 100 countries; and Racal Security, a small company within the Racal Group, which makes electronic intruder-detection sensors, exporting 85 per cent of its output to Europe, the United States, Australasia and South Africa.

General Machinery and Equipment: General engineering firms winning awards include Alvis, a leading British manufacturer of armoured vehicles, exporting over half its output and having particular success with its Scorpion range; Coin Controls, which exports about 80 per cent of its coin-handling mechanisms for the amusement and vending industries; Dowty Meco, manufacturing heavy-duty conveyors for the mining industry, and achieving substantial sales in recent years to China; Flymo, the lawnmower manufacturer, which exports to more than 80 countries; GEC Turbine Generators, award winners in 1977, 1980 and 1981, which manufactures steam turbines and associated generators for fossil-fired and

nuclear power stations, and designs and supplies complete thermal power stations; The Incinerator Company, whose products are engineered to ensure the destruction of waste materials in compliance with environmental emission standards, exporting to 28 countries, mainly in the Middle East, East Asia and Africa; the Lapointe Broach Company Division of Staveley Machine Tools, an award winner in 1981, whose machines and tools for cutting holes in metals are extensively exported to Western Europe for use in the manufacture of aero-engines; Portals Holdings, an award winner in 1977, which trades world-wide in three businesses – water treatment equipment, chemicals and engineering machinery for the graphic arts and packaging industries, and banknote and security papers; Ruston Gas Turbines, a member of the GEC group and a winner of awards in 1969, 1977 and 1978; Shackleton Engineering, a small company, which also won an award in 1981, producing gear units for mechanical power transmission drives, mainly for use in the North American oil industry; and TI Chesterfield, exporting seamless steel gas cylinders, which have to be engineered to meet strict quality controls in a variety of markets around the world.

Chemicals and Related Products: Award winners in this sector included Johnson Matthey Chemicals, which trades with over 100 countries and is a major refiner of gold and silver, manufacturer of bullion bars and licensor of chemical processes in addition to its manufacture and export of catalysts, metallising preparation and high purity and speciality chemicals; Micro-Image Technology, which makes ultra-pure chemicals for the semiconductor industry in both Eastern and Western Europe and is licensing its processes in the United States; the Fragrance Division of PPF International, which markets about 40 per cent of its output of fragrances and flavours for the toiletries industry to Western Europe, and trades with some 70 countries in all; Stewart Wales, Somerville, a small company which exports specialist surface coatings, similar to paint, to the Middle East; and Tiger Tim Products, making firelighters, principally of kerosene, and exporting them to the Federal Republic of Germany and other European countries.

Other Manufacturing: Other manufacturing companies which won export awards include Claridge Mills, a small firm weaving wool, silk and cashmere into cloth, rugs and scarves and with the flexibility to produce large or small quantities to suit customers' requirements around the world; R. G. Holland and Company, which makes ferrotitanium for use in the production of steel, and exports to countries in Western and Eastern Europe, as well as the United States, Australia and East Asia; Johnston Pipes, exporting glass-reinforced-plastics pipes mainly to the Middle East; Roy Manufacturing Company (Fashions), supplying ladies' dresses, blouses and skirts, suede and leather garments and children's wear, mostly to the Middle East; Wearwell, an award winner in 1980, whose ladies', men's and children's outerwear are marketed in the Middle East and North Africa; and Young's Seafoods, one of Britain's leading exporters of fresh, chilled and frozen seafoods to numerous countries.

Consulting Engineers: Award winners in this sector were Peter Fraenkel and Partners, involved in the planning, design, construction and management of port, harbour, dockyard, coastal protection, inland waterway and road and bridge projects and currently active in East Asia, India and West Africa; Haiste International, a firm specialising in public health engineering, water supply and marine and harbour works, operating mainly in the Middle East; The Henderson Busby Partnership, specialising in transportation and having an internationally recognised expertise in railway consultancy; Merz and McLellan, whose main activity is in large-scale electric power generation and transmission schemes; and T. P. O'Sullivan and Partners, a small firm operating in 18 countries at present, mainly in the field of transport and urban development, and specialising in services designed to meet the requirements of public sector organisations in developing countries.

Other Services: Other service companies winning export awards were BIS Software, an award winner in 1981 also, which, concentrating on the development of international banking software, has provided computer systems analysis, programming and consultancy services in about 50 countries, with particular success in the United States and South East Asia; Bibby Line, one of the leading British shipowning companies, which has achieved increased export earnings despite the international shipping recession, and was an award winner in 1972 and 1976; Holborn Law Tutors, an independent law college providing full-time degree courses and professional training for British and overseas students, the latter mainly in Africa and South East Asia; James Marine Services, a small servicing company, providing marine machinery, equipment and spares for deep-sea merchant shipping fleets, and earning approximately 85 per cent of its turnover in exports; Metier Management Systems, which trades with over 20 countries, and particularly the United States, by selling, renting and licensing mini-computer-based management information systems; Morgan Grenfell and Company, an award winner in 1975, providing merchant banking services particularly in the United States, South East Asia, South America and Eastern Europe; and Video Arts, a small company producing training and education films, with associated publications, and exporting them to Europe, North America, South East Asia and the Middle East.

Technological Achievement

The awards in this category are made for 'a significant advance, leading to increased efficiency, in the application of technology to a production or development process in British industry or the production for sale of goods which incorporate new and advanced technological qualities'.

Three aerospace firms were among the 19 technology award winners: the Scottish Group of Ferranti, which produced the Combined Map and Electronic Display system for use in military air-

craft (see also among awards for export achievement), which facilitates low-altitude navigation; the Actuation Division of Lucas Aerospace (see also among awards for export achievement) for its innovation in gas turbine engine actuation systems, which have greatly increased aircraft safety through reductions in fire hazards and engine weight, and have helped to improve all-round aircraft performance; and the Derby Engineering Function of Rolls-Royce, whose turbofan aircraft engines, particularly the RB211-524 series which has been in service since 1978, have made an outstanding contribution to fuel efficiency, with savings of up to 7 per cent achieved by airline operators using Rolls-Royce engines.

Firms winning awards for instrument technology included City Technology, for its development of a cheap, simple and rugged oxygen sensor, based on battery technology, for use in safety, energy conservation and medical fields; L1 Division-Battlefield Sensors, Royal Signals and Radar Establishment (jointly with Plessey Optoelectronics and Microwave) for innovation in the development and production of pyroelectric infrared detectors for use in burglar alarms, gas pollution monitors and weather satellite radiometers; Instron, a winner of a previous technology award and three export awards, whose application of microprocessor controls to materials testing machines has enabled tests to be conducted with high accuracy and repeatability and a minimum of human error; the Mining Research and Development Establishment of the National Coal Board (jointly with Salford Electrical Instruments) for the development and application of a natural gamma radiation detector as an aid to the guidance and steering of coal-cutting machines, leading to higher productivity and improved safety standards; and Neotronics, a young company, which has developed and produced a portable monitor to analyse boiler and furnace combustion efficiency, which can be used by non-skilled personnel.

Other technology awards were made to the 'Slimline' Division of ARC Concrete, for research and development of precast concrete technology, in particular the production of reinforced concrete pipe using glass fibre rather than steel as the reinforcing agent, leading to economies in energy, materials and handling costs; Coles Cranes, whose mobile cranes, incorporating telescopic booms, are claimed to achieve 10 per cent more height and 30 per cent more lifting capacity than conventional cranes; Edwards of Enfield, for advances in the handling of non-ferrous metals extruded by hydraulic presses; Laser-Scan Laboratories, for innovation in the design and manufacture of laser-based computer peripherals and systems, with particular applications to cartographics and bank-note design; May and Baker, for the development and production of 'Flagyl' for use in the treatment of anaerobic infections, particularly in post-operative conditions; Osel Offshore Systems Engineering, which is recognised for its development and production of one-man tethered submersibles for the offshore oil industry; the Plant Breeding Institute, for innovation in breeding a nematode-resistant maincrop potato variety, Maris Piper, which is thought to be the leading variety sown in Britain; Racal-Redac, which has devised advanced microprocessor technology in the production of a portable desktop computer-aided-design machine, with particular application in printed circuit design; and TSL Thermal Syndicate, which is recognised for its innovative single-stage continuous process for producing translucent fused silica tubing for use in the manufacture of infra-red radiant heaters, both domestic and industrial.

DESIGN COUNCIL AWARDS

The Design Council made a total of 32 awards to British manufacturers under its 1982 awards scheme, announced on 28 April. There were eight awards for engineering products, four for engineering components, 13 for consumer and contract goods, four for medical equipment, and three for the motor industry, which also earned two commendations.

The Duke of Edinburgh's Designers' Prize for 1982 was awarded to Rediffusion Simulation, which has used advanced technology to provide realistic conditions on the ground for the training of aircraft crews. The simulators fully reproduce an aircraft flight deck, making maximum use of original instruments, controls and furnishings, and using a computer to co-ordinate systems providing sensory cues of motion, control feel, vision and sound. In particular it enables trainee pilots to experience conditions which it would be too dangerous for them to tackle in real life.

Other Engineering Products

The Autocal digital voltmeter, the result of a three-year design study by Datron Electronics, has a light but substantial case with outstanding visual and mechanical features. Precision equipment of this kind, used predominantly in aerospace and defence, requires calibration typically every 90 days. The Autocal voltmeters can be calibrated electronically without any disassembly or manual adjustment, or remotely by computer, in both cases without need to move the voltmeter. A pocket-size radiopager that receives signals which not only alert wearers that they are wanted, but also can signal who wants them, has been developed by Standard Telephones and Cables. It emits four different easily identified tone patterns. The system enables a wearer to be paged over a zone such as the Greater London area. Cantilock, a heavy-duty infinitely adjustable cantilever racking system, designed to store long, awkward loads such as steel and timber, has won an award for Keith Hancock Structures. The Cantilock system works on the principle of a simple clamping device, which spreads the bending movement across the full flange width of the upright. The Royal National Lifeboat Institution's first glass-reinforced-plastics lifeboat has achieved what is described as a magnificent service record, saving more than 455 lives in 3,000 hours at sea. Its broad beam gives high initial stability and the substantial superstructure is watertight, providing the buoyancy for the boat to right itself. Hall Automation's CompArm robot provides automatic

paint spraying, previously done by hand, and is especially useful in the motor industry where space is often limited and components complex. It has a jointed 'shoulder' and 'elbow' and an articulated 'wrist' enabling it to carry out every movement that a skilled operator could make. To help farmers to achieve better soil conditions for crop growth, the Howard Rotavator Company has produced a new implement, the Paraplow, which loosens the soil with a minimum of disturbance to the surface, enabling the farmers to follow with direct seed drilling systems that require a level surface. Bomford and Evershed have produced a cultivator that permits quick preparation of the soil surface for autumn planting, enabling a farmer to cover as much as eight acres (3·2 hectares) in an hour.

Engineering Components

In this category, Dowty Rotol has produced an advanced aerofoil section for propeller blades for business aircraft, which enables narrower blades to be used with consequent weight and fuel savings. The blades are machined and balanced by hand by skilled craftsmen. RHP Bearings has produced a self-centring clutch release bearing made of heat-stabilised nylon. Measurement Technology, a company specialising in safety components for process control in the oil, gas and petrochemical industries, has produced a series of 'intrinsically safe' units for process control instrumentation which form an electrical interface between the process plant and the control room. The last winner in this group, Mullard, produced an integrated circuit designed as part of a decoder used in television sets which have viewdata. The circuit density of the microchip is so high that it has been possible to dispense with some peripheral integrated circuits that were previously essential.

Consumer and Contract Goods

Pains-Wessex has produced two new marine distress signals, one for day and the other for night use, both of which can be operated by a weak or injured person, or someone with wet or gloved hands. Glyn Locke (Racing Shells) has used man-made fibres (Kevlar and carbon-fibre) to build a top class racing scull with a guaranteed uniformity of hull construction, and sufficient rigidity, lightness and speed to make it suitable for Olympic events. Sinclair Research has won its third Design Council Award with its ZX81 home computer, which the judges praised for its capabilities, portability, simplicity and value-for-money. Paterson Products won an award for two items – a light providing safe illumination of a darkroom for black and white printing, and a digital thermometer with a stainless steel sensing probe. Office chairs in a range designed by Hille International, are contoured to fit the curve of the spine, but narrow enough not to obstruct the shoulder-blades. They are adjustable by levers, which control gas-filled cylinders, and provide firm support in a range of positions, while the seat always remains in a horizontal position. Dunlop has won a second consecutive design award, this time for a new golf-ball with a unique surface pattern minimising aerodynamic drag. The Hornsea Pottery Company has won a third Design Council Award, for a sophisticated but durable and chip-resistant black and cream range of tableware. A teasing puzzle for children and adults has been produced by Loncraine Broxton and Partners. Known as 'Liquid Geometry' it challenges people to coax beads into positions inside a clear acrylic container filled with water. Brookes and Gatehouse's Homer 5 marine radio receiver is microprocessor-controlled and has brought sophisticated techniques within the range of small craft owners because of its compact size and low cost. It simplifies direction finding, ensures that weather forecasts are received on time and 'remembers' frequently called stations. A modular amplifier system, designed by Boothroyd Stuart, has a minimum number of control knobs, leading to operational simplicity, high performance and an unobtrusive, smart appearance. A range of stationery items produced by Farhana Designs uses clear, bright colours with humorous illustrations. Two-Can Design won an award for a fresh, attractive and witty greetings card range. A final award in this category was made to George Luck for his tray-type wooden puzzles made from mahogany-cored plywood.

Medical Equipment

Malden Care won a Design Council Award for a sleek, bright-red battery-powered go-kart for disabled children, which provides them with much greater freedom of movement out-of-doors. Beckett and Co (Surgical Instruments) has produced a set of microsurgery tools which greatly reduces the need for the surgeon to move or change instruments during an operation. A centrifugal method of providing simple, rapid and economical cytological slides, essential in the diagnosis of cancer, won an award for Shandon Southern Products. A lightweight plastics container for the safe disposal of used medical equipment, such as needles, blades and glass items, produced by Frontier Plastics, was judged to be 'an excellent example of the ingenious use of modern materials and production methods'.

Motor Industry

A wheel alignment gauge for cars and light commercial vehicles, produced by SPQR Engineering, makes for simple and fast adjustments. The device needs a minimum of servicing, and has an easy-to-read pointer gauge. Land Rover won an award for its four-door Range Rover, the two extra doors having been ingeniously incorporated to bring the vehicle into the luxury family and executive car market. The Ford Motor Company won the third award in this category, for its new Cargo range of trucks, the most striking feature of which is a cab providing an ideal working environment for the driver. There is maximum visibility, adjustable seating, improved heating and ventilation and specially developed sound insulation. The range comprises 36 basic models, including tipper truck and articulated versions. Also commended in the motor industry category were a bus gearbox made by Maxwell Brockhouse, and a temperature-sensitive cooling fan developed by Quinton Hazell.

Shorter Notes

LONDON GOLD FUTURES MARKET

The London Gold Futures Market opened for trading on 19 April in Plantation House in the City of London. The market has 38 floor members, who buy and sell contracts promising delivery of gold at an agreed price for periods up to six months ahead. It is operated by the London Gold Futures Market Limited, a company formed jointly in March 1981 by the London Metal Exchange and the London Gold Market. Prices are set by the forces of demand and supply, as expressed in the buying and selling orders of the producers, merchants, industrial and commercial consumers, finance houses and others who use the market which, like all futures markets, smooths out the price fluctuations of a free market. Large sums are involved in gold trading, and clearing is provided by the International Commodities Clearing House in the City, which all members of the market are required to join.

The five members of the London Gold Market have met each working day since September 1919 (apart from a break between 1939 and 1954 and a short one in 1968) to set the London price of gold, which acts as a standard around which prices are set in all other gold markets. Prices quoted are normally for spot delivery but producers and industrial consumers have recently shown an increased desire to protect themselves at times of volatile prices. The London Gold Market therefore began to quote forward prices, which demonstrated the need for a more formally organised futures market in London, similar to those set up over the last few years in North America, Asia and Australia. Further impetus was added by the removal of exchange controls in 1979 (see pp 338-9, 1979), which allowed domestic trading in gold. The establishment of a market within the European time zone now makes possible futures trading in gold round the world 24 hours a day.

Source: London Gold Futures Market Limited press notice.

FAMILY EXPENDITURE SURVEY

Real expenditure per household in 1980 was only slightly higher than in 1979, following a 4 per cent rise between 1978 and 1979, according to the *Family Expenditure Survey 1980*, published in April 1982.[1] The survey is the latest in an annual series primarily intended to collect expenditure data, but which also obtains information on household income and household characteristics; other surveys, such as the General Household Survey (see pp 32-4), also collect various data on households. A sample of over 10,000 households was selected to take part, of which nearly 7,000 co-operated fully in the survey.

[1]*Family Expenditure Survey 1980*. HMSO, £13. ISBN 0 11 361227 3.

Actual household spending averaged £110·60 a week in 1980, about 17·5 per cent higher than in 1979 (a similar percentage increase to that between 1978 and 1979),[1] and expenditure per person was nearly £41 a week. Average weekly gross income per household in 1980 was £147·20 and disposable income (after deduction of income tax and National Insurance contributions) was £121·50, both figures being 22 per cent higher than in the previous year.

The proportion of household expenditure devoted to food declined in 1980 for the fourth consecutive year to its lowest recorded level – less than 23 per cent, compared with one-quarter in 1976 and over one-third in 1957 when the survey was inaugurated. The decline partly reflected the extent to which food price increases were below the average rise in retail prices. On the other hand the share of expenditure devoted to transport and vehicles rose for the fourth successive year, to nearly 15 per cent in 1980, the highest level recorded since the start of the survey, reflecting in part the rise in fuel costs. Remaining expenditure was devoted to housing (about 15 per cent), fuel, light and power (6 per cent), alcoholic drink (5 per cent), tobacco (3 per cent), clothing and footwear (8 per cent), durable household goods (7 per cent), other goods (8 per cent) and services (11 per cent).

INNER CITY GRANTS

A scheme to attract more private investment into inner city areas was announced on 6 April by the Secretary of State for the Environment, Mr Michael Heseltine. Local authorities in the 43 districts designated under the Inner Urban Areas Act 1978 will be invited to work out investment projects in co-operation with private sector groups for the year 1983-84 and submit them for government grant. To encourage the most imaginative schemes, there will be no restriction on the type of projects; they can be industrial, commercial, housing or recreational schemes, or a combination. Mr Heseltine said that he would be looking for projects which would make a significant impact on the areas concerned and contribute to improving the local economic base.

Some projects may be eligible for a package of grants, such as a derelict land grant for land reclamation, together with the new grant towards the cost of the actual development itself (which will be payable at the rate of not more than 75 per cent of the local authority's stake in a project, as with the urban programme). Up to £70 million of the provision to be made for the urban programme and for derelict land reclamation in 1983-84 will be earmarked for projects involving participation by the private sector. Projects for the initial round of bidding are to be invited by September 1982.

An experiment with the derelict land programme to boost development by the private

[1]In 1980 the retail prices index (annual average) was 18 per cent higher than in 1979, and the index in 1979 was 13·4 per cent higher than in 1978.

sector was announced in December 1981 (see pp 27-8).[1] The first indications, Mr Heseltine said, were that development projects involving £70 million to £100 million of private sector money would be attracted into inner city and other urban areas by the expenditure of just over £10 million of public money for derelict land reclamation. He was seeking powers to increase the rate of grant for the private sector from 50 per cent to 80 per cent in those areas where local authorities were eligible for 100 per cent grant for derelict land reclamation (that is, assisted areas and derelict land clearance areas). Resources of £5 million under the 1982-83 urban programme were being allocated to schemes designed to stimulate low-cost home ownership in urban areas, and the schemes approved were expected to attract additional private sector finance of some £14 million. It was in the light of these experiments that he was proposing the present scheme, which had been foreshadowed in the Budget (see p 119) and which had been suggested by the Financial Institutions Group set up after last year's urban disturbances (see p 344, 1981).

A similar scheme for Wales will shortly be announced, while ways are being considered of developing the urban programme in Scotland to achieve a similar increase in private sector participation in the renewal of inner urban areas.

Sources: *Weekly Hansard*, Vol 21, written answers, col 317; Department of the Environment press notice, 6.4.82.

SUPPORT FOR BRITISH SHIPBUILDERS

British Shipbuilders (BS) hopes to break even next year (1983-84) and then to move into profit without further assistance from the Government's intervention fund (set up in 1977 to help BS and the private sector of the industry to survive the world-wide recession in shipbuilding). The corporation's losses and cash needs both declined between 1979-80 and 1981-82.

Announcing these 'striking gains' in the industry's financial results in the House of Commons on 27 April, Mr Norman Lamont, Minister of State for Industry, said that for BS to achieve its target would require continued substantial improvements in performance. 'BS plans', he said, 'assumed a sustained increase in real prices for ships. However, in present market conditions it would be wrong to place any great reliance on this happening. This makes it all the more important for BS to control costs tightly and become more competitive.'

'Against this background', Mr Lamont continued, 'the Government has considered the question of financial support for 1982-83 only and will review the position later. For 1982-83 an external financing limit has already been announced of £123 million.' A trading loss limit of £10 million after intervention fund assistance had also been set for the same year.

On the question of privatisation Mr Lamont said it remained the Government's firm intention – time permitting – to take powers to introduce private capital for BS. Meanwhile the Government was determined that aid to BS would be temporary and diminishing. The need to improve performance remained urgent and the fuller order-books this year represented an opportunity for the industry to prove itself.

Dr John Cunningham, speaking for the official Opposition, suggested that BS was faced with an impossible task in being asked to meet a plan without knowing the Government's intentions regarding warship building and while no European Community agreement had been reached on intervention fund support. 'The figures and facts', Mr Lamont replied, 'deliberately relate to the short term and the next year. Anything that is decided as part of a review of defence policy will be taken into account for the longer term.' Asked how the industry would cope with a reduction of its external financing and loss limits, especially in view of the Falkland Islands crisis (see p 149), Mr Lamont said that BS had always been aware that both these requirements must decline in time, and had successfully achieved its targets in the past. Taking up a third Opposition point concerning the possibility of further major redundancies at BS, Mr Lamont stressed that by diversifying into offshore work, and obtaining a larger share of the export market, BS could keep redundancies to about 2,000 to 3,000 over the next four years.

Source: *Hansard*, Vol 22, No 104, cols 726-33.

BIOTECHNOLOGY

To provide a focus for biotechnology in government and to stimulate its development (see also p 116, 1981), an Interdepartmental Committee on Biotechnology has been established under the chairmanship of the Government Chemist, Dr Ronald Coleman.

The Committee will co-ordinate the interests of the Department of Industry, which has general responsibility for encouraging the industrial application of new technology, and those of other departments which are closely involved with areas such as health, energy, environment, agriculture and food.

The initial objectives of the Committee will be: to identify areas of biotechnology in which the Government or industry should be acting, in particular where these activities cut across traditional departmental boundaries; to stimulate biotechnology in industry by encouraging small firms to develop new products and processes, by organising collaborative projects with firms and research groups to achieve longer-term developments, and by establishing projects to demonstrate the appli-

[1]One hundred per cent grants are available to local authorities in the assisted areas and derelict land clearance areas for the reclamation of derelict land. Elsewhere the grants are at 50 per cent. For 1982-83 priority is being given to joint schemes by local authorities and the private sector leading to immediate development. Reclamation grants are also available to the private sector and the nationalised industries at 50 per cent on the net loss incurred in reclamation.

cation of different techniques, processes and configurations of industrial plant; to maximise benefits from international collaboration; and to ensure that the infrastructure required for biotechnology is adequately supported – by, for example, maintaining collections of micro-organisms needed for industrial development.

The Committee will also provide a point of contact for those outside government – in industry and the academic world – to complement the focus provided by the research councils (see also p 345, 1981). It will monitor biotechnological developments and provide a clearing house for ideas or project proposals and a forum for the exchange of information.

Source: Department of Industry press notice, 19.4.82.

SOCIAL AND CULTURAL AFFAIRS

Commission for Racial Equality

In its reply[1] to the report of the House of Commons Home Affairs Committee on the Commission for Racial Equality (see p 36) the Government welcomes the main conclusion that the Commission should remain as the single agency charged with the dual functions of working towards the elimination of racial discrimination and promoting equality of opportunity and good race relations. It accepts a number of the Committee's recommendations for improving the effectiveness of the Commission.

The Commission for Racial Equality was set up under the Race Relations Act 1976. It has powers to assist individuals to bring complaints of discrimination before courts or industrial tribunals; may carry out investigations into alleged or suspected discriminatory practices; undertakes educational work and research; and makes grants to organisations concerned with the promotion of equality of opportunity. The Government considers that such a body has an important and independent contribution to make, while accepting the Committee's view that the main responsibility for promoting good race relations rests with the Government and local authorities. The Government points out that its firm commitment to equality of opportunity and to combating racial disadvantage and discrimination was reiterated plainly in parliamentary debates on Lord Scarman's report on the Brixton disturbances (see pp 31-2) and in its response to the Select Committee's report on racial disadvantage (see pp 53-5).

The Government accepts the need for the Commission to increase its effectiveness, to improve its procedures and to speed up its investigations. It does not agree, however, that the Commission's promotional and educational work should be confined to publicising matters concerning discrimination as defined by the Race Relations Act. The Commission is in a position to make an important contribution to the public debate on questions of racial disadvantage by way of information, education and advice; its promotional role should be regarded in this broad sense. At the same time, as the Committee points out, the Commission should not – and does not – regard itself as simply a representative body for ethnic minority opinion. It should be a sieve, not a channel, and should be selective in its intervention in public debate. The Government does not accept the recommendation that the Commission's grant-making powers should cease.

The Commission has agreed to review its organisation; the procedures followed in its investigations; its priorities of work and the need to relate its promotional activities more closely to investigations and court decisions; and to improve training procedures for staff.

[1] *Commission for Racial Equality*. The Government Reply to the First Report from the Home Affairs Committee, Session 1981-82. HC 46-1. Cmnd 8547. HMSO, £2·10. ISBN 0 10 185470 6.

DOCUMENTATION

Government Administration

United Kingdom Government Ministers. COI, No 61/82/1.

Modern Public Records: The Government Response to the Report of the Wilson Committee. In considering the recommendations of the Wilson report (see p 126, 1981), the Government accepts its obligation to ensure that the modern public records of England and Wales are safeguarded not only for the present generation but for posterity, while at the same time taking into account other competing claims on manpower and resources. Cmnd 8531. HMSO, £2·65. ISBN 0 10 185310 6.

Data Protection. The Government's Proposals for Legislation (see p 147). Cmnd 8539. HMSO, £2·30. ISBN 0 10 185390 4.

The Falkland Islands and Dependencies. COI, No 152/82/Revised.

External Affairs and Defence

Report on the Election in El Salvador on 28 March 1982 (see p 157). Cmnd 8553. HMSO, £2·55. ISBN 0 10 185530 3.

Economic and Scientific Affairs

The 1982 Budget. Fourth Report from the House of Commons Treasury and Civil Service Committee. Together with the Proceedings of the Committee, the Minutes of Evidence and Appendices. HMSO, £7·35. ISBN 0 10 227082 1.

The Government's Expenditure Plans 1982-83 to 1984-85. Fifth Report from the House of Commons Treasury and Civil Service Committee. HMSO, £4·35. ISBN 0 10 231682 1.

Family Expenditure Survey 1980 (see p 167). HMSO, £13. ISBN 0 11 361227 3.

Sixth International Tin Agreement (the agreement has not been ratified by Britain). Cmnd 8542. HMSO, £2·55. ISBN 0 10 185420 X.

Sale of Shares in British Aerospace; Sales of Government Shareholdings in Other Publicly Owned Companies and in British Petroleum Ltd; Postponement of Payments. Tenth Report from the House of Commons Committee on Public Accounts. Together with the Proceedings of the Committee, the Minutes of Evidence and Appendices. HMSO, £3·40. ISBN 0 10 218982 X.

The Local Government Audit Service. Report of the Chief Inspector of Audit for the year ended 31 March 1981. Department of the Environment, £4·50. Available from St Lawrence House, 29-31 Broad Street, Bristol BS1 2EX.

State Aids to Agriculture. Seventh report of the House of Lords Select Committee on the European Communities, Session 1981-82. HMSO, £8·50. ISBN 0 10 409082 0.

Forestry Commission. Annual Report and Accounts for the year 1980-81. HMSO, £8. ISBN 0 10 213682 3.

Development of the oil and gas resources of the United Kingdom 1982 (see p 158). Department of Energy. HMSO, £5·50. ISBN 0 11 411123 5.

British Railways Board. Annual Report and Accounts 1981. Available from the BRB, Euston Square, P.O. Box 100, London NW1 2DZ. £3·50. ISBN 0 11 983359 X.

British Transport Docks Board. Report and Accounts 1981. Available free from the BTDB, Melbury House, Melbury Terrace, London NW1 6JY.

Social and Cultural Affairs

Report on the Work of the Prison Department. Cmnd 8543. HMSO, £7·50. ISBN 0 10 18543 7.

Elderly People in Britain. COI, No 134/82.

Commission for Racial Equality (see p 170). The Government's Reply to the First Report from the Home Affairs Committee, Session 1981-82. HC 46-1. Cmnd 8547. HMSO, £2·10. ISBN 0 10 185470 6.

Nature Conservancy Council: Seventh Report April 1980-March 1981. Available from the NCC, 19-20 Belgrave Square, London SW1X 8PY. £4. ISBN 0 86139 197 7.

© *Crown Copyright 1982*

Printed in England by Brown Knight & Truscott Ltd
and Published by
HER MAJESTY'S STATIONERY OFFICE
£1.35 net

Annual subscription including indices and postage £20.42

H2705 Dd 8298582 K8 MAY/82 1980
ISBN 0 11 726751 1 Vol. 12 No. 5
ISSN 0039—6214